



Defense Energy Support Center (DESC)

OPTIMIZATION



Purpose



- **Define Optimization**
- **Identify Policy**
- **Outline Responsibilities**
- **Overview Processes**
- **Benefits of Optimization**



Optimization



- **Optimization is the process of conducting short term and long term research and planning to develop best fit solutions which will help to efficiently operate and maintain Department of Defense (DoD) petroleum storage and distribution systems.**



Policy



- **DoDD 4140.25, DoD Management Policy for Energy Commodities and Related Services states:**

- **Military Services shall seek to minimize Government-owned fuel infrastructure to the maximum extent possible through use of commercial assets and privatization, except those systems needed for unique security reasons or when privatization is uneconomical.**

- **DoD 4140.25-M, Management of Bulk Petroleum Products, Natural Gas and Coal states:**

- **At request of Service, DESC will consider conversion of a Service GOGO to a DESC-funded GOCO if economic benefit to DoD**

- **COCO Authority is 10 USC 2388**



Optimization Responsibilities



- **DESC:**

- Provides for contracting functions and funds the contract costs for fuel services at Optimized Installations/Bases
- For GOCO fuel sites, satisfy all facility MR&E requirements

- **Service Control Point (SCP):**

- Serve as the central management coordinator for fuel requirements, technical issues, and supply actions
- Assist DESC in scheduling contractor personnel for all required inventory and accounting training

- **Installation/Base:**

- Environmental Studies/Traffic Studies/Real Estate Surveys
- Fund the costs for remediation measures on any



Optimization Processes



- **Milestone 1:** Conduct a joint assessment in order to determine fuel infrastructure requirements, identify potential consolidation through modernization/automation, develop alternatives and prepare an Initial Preliminary Review.
- **Milestone 2:** Installation/Base completes environmental studies/traffic studies/real estate surveys, jointly develop the Installation/Base MOA, Performance Work Statement (PWS), distribute contract solicitation, Technical Review Board, and contract negotiations.
- **Milestone 3:** If economic benefit is determined by the Final Economic Analysis, DESC will⁶



Memorandum of Agreement (MOA)



- **Concurrent with the development of a PWS, DESC, the Service Control Point and the activity will jointly develop an MOA.**
- **The MOA will help to define roles and responsibilities and will be signed by all parties**



Benefits of Optimization



- **Private investment capital utilized**
- **New/modernized facilities created**
- **Transfer of environmental liability (risk)**
- **Lower overall operating costs**
- **Military manpower may be used for more critical war fighting roles**



CAPE CANAVERAL AFS (Typical Study)



- JP-8 & Bulk DL2 Supported from PAFB
- Navy & AF each operate Service Stations requiring update
- NASA JP-8 Tanks deteriorated



Completed Project Example Bulk Loading Original





Top & Bottom Loading DL2



Defense Energy Support Center





Keyed Automated Dispensers



Defense Energy Support Center





Full View New Facility



Defense Energy Support Center





DESC FORT GORDON COCO



Defense Energy Support Center



Before DESC Privatization

**THE New Way of
Doing
BUSINESS !!**





Completed/Awarded Base Level Projects

Fort Bragg, NC (Two- Ground
products and airfields)
Schofield Barracks, HI
Fort Jackson, SC
29 Palms, CA
Fort Hood, TX (GOCO)
Hunter Army Airfield, GA (GOCO)
Fort Stewart, GA
Fort Gordon, GA
MCB Okinawa, JA (GOCO)
Fort Lewis, WA



IN PROCESS BASE LEVEL PROJECTS

Fort Carson, CO

Fort Campbell, KY

MCB Camp Lejeune, NC

MCB Camp Pendleton, CA

Cape Canaveral AFS/KSC

Gulf Coast Resupply Study



Summary



- **The Optimization Program is a cooperative effort between DESC, Services and Installations to ensure efficient use of DoD funds for fuel facility replacement, maintenance/upgrade, operation and management.**
- **DESC's approach is to provide optimal customer support through a cost-effective review.**



Thank

you